



December 2, 2010

VIA ELECTRONIC FILING

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Jocelyn Boyd, Chief Clerk / Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

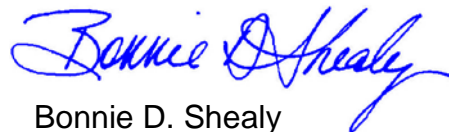
**Re: Duke Energy Carolinas, LLC Quarterly Financial Report
Docket No. 2006-268-E**

Dear Jocelyn:

Enclosed please find the Quarterly Report of Duke Energy Carolinas, LLC for the period ending September 30, 2010. By copy of this letter we are providing the same to the Office of Regulatory Staff. Should you have any questions, please contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.


Bonnie D. Shealy

/bds
Enclosure

cc/enc: Dan F. Arnett, ORS Chief of Staff (via email & U.S. Mail)
Shannon B. Hudson, ORS Staff Attorney (via email)
Mr. Phillip O. Stillman (via email)
Timika Shafeek-Horton, Associate General Counsel (via email)



526 S. Church St.
Charlotte, N.C. 28202

Phillip O. Stillman, General Manager

Duke Energy Carolinas
EC06E / P.O. Box 1006
Charlotte, N.C. 28201-1006

704 382-8070

704 382-7939 fax

November 22, 2010

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Ms. Jocelyn Boyd:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC
for the twelve months ending September 30, 2010. Please feel free
to call me at (704) 382-8070.

Sincerely,

A handwritten signature in black ink, appearing to read 'Phillip O. Stillman', with a stylized flourish at the end.

Phillip O. Stillman
Regulatory Accounting and Planning

Enclosure

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

Mr. John Flitter
Director, Electric & Gas Regulation
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Catherine E. Heigel, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Catherine E. Heigel
Signature of President

Catherine E. Heigel
Typed or Printed Name of Person Signing

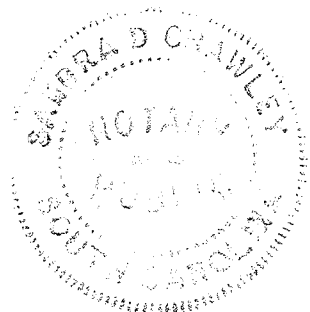
President, Duke Energy South Carolina
Title

Nov. 29, 2010
Date Signed

Subscribed and sworn to before me this 29th day of Nov 2010.

Sandra D. Crawley
Notary Public

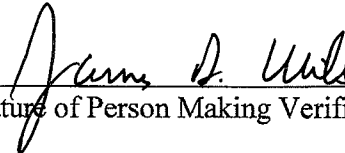
My Commission Expires: Sept 08, 2020



CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Person Making Verification

James D. Wiles

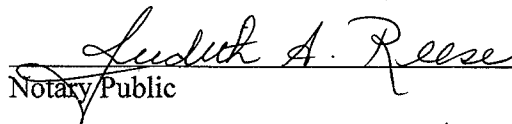
Typed or Printed Name of Person Signing

VP, Franchised Electric and Gas Accounting
Title

11 / 17 / 10

Date Signed

Subscribed and sworn to before me this 17th day of November, 2010.


Notary Public

My Commission Expires: 02/26/11



Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adis (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric Operating Revenue	\$ 6,201,966	24.3404%	\$ 1,509,581	\$ 23,431	\$ 1,533,012
2	Electric Operating Expenses:					
3	Operation and Maintenance:					
4	Fuel Used in Electric Generation	1,673,096	24.9175%	416,893	(1,055)	415,838
5	Purchased Power and Net Interchange	224,659	24.9730%	56,104	1,474	57,578
6	Wages, Benefits, Materials, etc.	1,795,704	24.2425%	435,323	(22,186)	413,137
7	Depreciation and Amortization	711,474	25.2926%	179,950	16,474	196,424
8	General Taxes	347,647	19.3849%	67,391	4,129	71,520
9	Interest on Customer Deposits	5,214	12.2746%	640	(1)	639
10	Income Taxes	422,338	24.6855%	104,256	8,484	112,740
11	Amortization of Investment Tax Credit	(7,302)	22.9937%	(1,679)	7	(1,672)
12	Total Electric Operating Expenses	5,172,830	24.3364%	1,258,878	7,325	1,266,204
13	Operating Income	\$ 1,029,136	24.3605%	\$ 250,703	\$ 16,106	\$ 266,809
14	Add: Customer Growth Adjustment				625	625
15	Income for Return			\$ 250,703	\$ 16,731	\$ 267,434
16	Original Cost Rate Base (b)			\$ 3,174,739	\$ 201,703	\$ 3,376,442
17	Rate of Return on South Carolina Retail Rate Base			7.90%		7.92%

Notes: (a) From Page 3, "Total Adjustments" line.

(b) From Page 4, Line 12.

Notes: (a) From Page 4, Line 12, Column 2.
(b) From Page 1, Line 15, Column 2.
(c) From Page 4, Line 12, Column 4.
(d) From Page 1, Line 15, Column 4.
(e) If adjusted for weather, this rate is 1.00.
(f) Excludes pre-tax non-firm wholesaler sales. A net of tax South Carolina Retail Sales Tax rate of 4.475% is applied to the pre-tax non-firm wholesaler sales.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ -	\$ 3,546	\$ -	\$ -	\$ (1,392)	\$ -	\$ (2,154)
2	To Annualize Wage Rate Increase	-	-	-	2,475	-	154	-	(1,032)	-	(1,597)
3	To Annualize Rate Case Increase	24,708	-	-	-	-	113	-	9,659	-	14,937
4	To Annualize Allen and Saluda Amortization	-	-	-	-	1,770	-	-	(695)	-	(1,075)
5	To Annualize Allen and Saluda Operating Costs	(81)	-	-	1,179	-	-	-	(495)	-	(765)
6	To Annualize Amortization of Rate Case Costs	-	-	-	-	3	-	-	(1)	-	(2)
7	To Annualize Amortization of GridSouth Investment	-	-	-	-	629	-	-	(247)	-	(382)
8	To Eliminate Incremental Voluntary Opportunity Plan and Office Consolidation Costs	-	-	-	(24,246)	-	-	-	9,521	-	14,725
9	To Eliminate Catawba Purchased Power Levelization	-	-	1,575	-	-	-	-	(618)	-	(957)
10	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	3,079	-	(1,209)	-	(1,870)
11	To Reflect CWIP Closings to Plant	-	-	-	-	11,199	1,050	-	(4,810)	-	(7,439)
12	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	(1,308)	-	1,308
13	To Exclude Greenwood Operations	(1,196)	(1,055)	(101)	(1,594)	(673)	(267)	(1)	1,111	7	1,377
14	Total Adjustments	\$ 23,431	\$ (1,055)	\$ 1,474	\$ (22,186)	\$ 16,474	\$ 4,129	\$ (1)	\$ 8,484	\$ 7	\$ 16,106

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric Plant in Service	\$ 26,592,389		\$ 6,283,864	\$ 205,631	\$ 6,489,495
2	Less: Accumulated Depreciation and Amortization	(12,319,963)		(2,811,493)	(14,745)	(2,826,238)
3	Net Electric Plant	14,272,426		3,472,371	190,886	3,663,257
4	Add: Materials and Supplies	640,253		152,940	23,587	176,527
5	Working Capital Investment	1,035,176		235,322	-	235,322
6	Plant Held for Future Use	3,128	25.6616%	803	-	803
7	Less: Accumulated Deferred Taxes	(2,998,539)	26.9679%	(808,644)	-	(808,644)
8	Operating Reserves	(405,741)	24.9324%	(101,161)	-	(101,161)
9	Customer Deposits	(85,580)		(18,536)	-	(18,536)
10	Greenwood				(12,770)	(12,770)
11	Construction Work in Progress	988,455		241,644		241,644
12	Total Original Cost Rate Base	\$ 13,449,578		\$ 3,174,739	\$ 201,703	\$ 3,376,442

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 13,513,211		\$ 3,100,995	\$ 122,671	\$ 3,223,666
2	Transmission	2,513,755	19.6732%	494,537	16,262	510,799
3	Distribution (b)	8,635,663	25.5351%	2,205,126	29,966	2,235,092
4	General	549,678	24.3982%	134,112	9,218	143,330
5	Intangible	373,722	24.3100%	90,852	27,514	118,366
6	Subtotal	25,586,029	23.5504%	6,025,622	205,631	6,231,253
7	Nuclear Fuel	1,006,360	25.6610%	258,242		258,242
8	Total Electric Plant in Service	\$ 26,592,389 (a)		\$ 6,283,864	\$ 205,631	\$ 6,489,495
		=====		=====	=====	=====

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, electric plant acquisition adjustments, and other electric plant adjustments of (\$89,426) thousand.

(b) The accounting adjustment in Col. 3 represents non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 6,516,217		\$ 1,355,513	\$ 6,807	\$ 1,362,320
2	Transmission	1,140,453	19.5969%	223,494	576	224,070
3	Distribution	3,659,889		972,003	1,739	973,742
4	General	80,459	31.8510%	25,627	120	25,747
5	Intangible	266,111	24.9169%	66,306	5,503	71,809
6	Subtotal	11,663,128	22.6607%	2,642,943	14,745	2,657,688
7	Nuclear Fuel	656,835	25.6610%	168,550		168,550
8	Total Accumulated Depreciation and Amortization	\$ 12,319,963 (a)		\$ 2,811,493	\$ 14,745	\$ 2,826,238

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam Production Plant	3.57%
10	Nuclear Production Plant (Excl. Nuclear Decommissioning)	2.35%
11	Hydro Production Plant	3.44%
12	Combustion Turbines	3.62%
	Transmission Plant:	
13	Right-of-Way	1.16%
14	Other	2.03%
15	Distribution Plant	2.33%
16	General Plant	Various
17	Land Rights	0.81% - 1.88%
18	Intangible Plant	20.00%

Note: (a) Excludes accumulated depreciation of asset retirement obligations and accumulated depreciation of electric plant acquisition adjustments totaling \$79,929 thousand. Includes accumulated depreciation of cost of removal and asset retirement obligation regulatory liability totaling \$1,410,531 thousand.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
		Per Books (Col. 2)		Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)	
Fuel Stock:						
1	Coal	\$ 184,312	25.6610%	\$ 47,296	\$ 23,587	\$ 70,883
2	Oil	29,787	25.6610%	7,644	-	7,644
3	Total Fuel Stock	214,099	25.6610%	54,940	23,587	78,527
4	Other Electric Materials and Supplies & Stores Clearing	426,154	22.9963%	98,000	-	98,000
5	Total Materials and Supplies	\$ 640,253		\$ 152,940	\$ 23,587	\$ 176,527

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,948		
Price per Ton - Coal	\$ 93.70		
Total Company Pro Forma Inventory	\$ 276,228	25.6610%	70,883
Per Book Coal Inventory			47,296
Coal Adjustment			\$ 23,587
=====			

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve Months Operating and Maintenance Expenses, Exclusive of Purchased Power and Nuclear Fuel Expense	\$ 3,292,117		\$ 806,793	-	\$ 806,793
		=====		=====	=====	=====
2	1/8 of O&M Expenses on Line 1	\$ 411,515		\$ 100,849		\$ 100,849
3	Less: Average Taxes Accrued	(54,634)		(24,217)	-	(24,217)
		-----		-----	-----	-----
4	Subtotal	356,881		76,632	-	76,632
5	Required Bank Balances	340	23.7871%	81	-	81
6	Bond Reacquisition Premiums	134,571	18.2699%	24,586	-	24,586
7	Required Pension Funding	525,023	24.7246%	129,810	-	129,810
8	Prepayments	18,361	22.9479%	4,213	-	4,213
		-----		-----	-----	-----
9	Total Working Capital Investment	\$ 1,035,176		\$ 235,322	\$ -	\$ 235,322
		=====		=====	=====	=====

Duke Energy Carolinas, LLC
CONSTRUCTION WORK IN PROCESS AT MONTH END
SC Quarterly for September 30, 2010
(Thousands of Dollars)

Page 4e

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 3,392,875	24.8634%	\$ 843,584	\$ -	\$ 843,584
2	Transmission	130,466	19.5941%	25,564	-	25,564
3	Distribution	51,502	25.5351%	13,151	-	13,151
4	General	79,203	24.3982%	19,324	-	19,324
5	Intangible	224,756	24.3100%	54,638	-	54,638
6	Total Construction Work in Progress	<u>\$ 3,878,802</u> =====		<u>\$ 956,261</u> =====	<u>\$ -</u> =====	<u>\$ 956,261</u> =====

Line

No. Description

Twelve Months Ended 30-Sep-2010

1	SEC Fixed Charges Coverage	3.72
2	Earnings per Share	\$0.95

Line No.	Description	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$ 2,631,467			\$ 2,034,539	77.3158%	\$ 596,928	22.6842%
2	Commercial	1,976,172			1,571,357	79.5152%	404,815	20.4848%
3	Industrial	1,046,379			659,989	63.0736%	386,390	36.9264%
4	Public Street & Highway Lighting	37,644			32,195	85.5248%	5,449	14.4752%
5	Interdepartmental	-			-	0.0000%	-	0.0000%
6	Sales for Resale:							
7	Special Contract	322,864	\$ 267,784	82.9403%	54,345	16.8321%	735	0.2275%
8	Other	1,875	1,875	100.0000%				
9	Total Revenue from Sales of Electricity	\$ 6,016,402	\$ 269,660	4.4821%	\$ 4,352,426	72.3427%	\$ 1,394,317	23.1753%
<u>Kilowatt-hour Sales (000s)</u>								
10	Residential	29,679,692			22,585,838	76.0986%	7,093,854	23.9014%
11	Commercial	27,783,985			21,966,036	79.0601%	5,817,949	20.9399%
12	Industrial	20,379,742			12,065,892	59.2053%	8,313,851	40.7947%
13	Public Street & Highway Lighting	287,555			245,120	85.2426%	42,436	14.7574%
14	Interdepartmental	-			-	0.0000%	-	0.0000%
15	Sales for Resale:							
16	Special Contract	5,878,377	4,875,547	82.9403%	989,455	16.8321%	13,376	0.2275%
17	Other	47,969	47,969	100.0000%				
18	Total KWH Sales	84,057,321	4,923,515	5.8573%	57,852,341	68.8249%	21,281,465	25.3178%
<u>Revenue Per KWH Sold (Cents)</u>								
19	Residential	8.87			9.01		8.41	
20	Commercial	7.11			7.15		6.96	
21	Industrial	5.13			5.47		4.65	
22	Public Street & Highway Lighting	13.09			13.13		12.84	
23	Interdepartmental	0.00			0.00		0.00	
24	Sales for Resale:							
25	Special Contract	5.49	5.49		5.49		5.49	
26	Other	3.91	3.91					
27	Total Revenue per KWH Sold	7.16	5.48		7.52		6.55	